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Little Volkswagen Issue in Campaign

By the Associated Press

Bonn, Germany

The sturdy Volkswagen has become an issue in West Germany's election campaign.

The "people's car" was created by Hitler's engineers to help fulfill Hitler's promise that every German would have his own car.

Originally designed to sell for \$240, the first Volkswagens were produced with money contributed by 330,000 Germans, all expecting a car for their contribution.

Few got it. The plant was three-fifths destroyed in World

War II and contributors lost their money. Some are still fighting in court to get some return.

Top Auto Exporter

The Volkswagen works was taken over by the West German Government. Within a decade, West Germany has become Europe's No. 1 auto exporter, largely on the Volkswagen's popularity.

Last year Volkswagen produced 395,211 cars and exported 218,540 of them, chiefly to Sweden, Belgium, the United States, Switzerland and Austria. One sells for about \$1,000 in Germany.

The Social Democrats, fighting to unseat Chancellor Konrad Adenauer's Christian Democratic regime, are campaigning for eventual nationalization of basic industry. They want Volkswagen to continue to be state-owned.

Shares Offered

Dr. Adenauer struck back this week. He said the government would share Volkswagen profits by offering stock to West Germany's "little man." His plan calls for a joint stock company with 60 million marks (14 1/4 million dollars) in capital, broken into 50 mark (\$12) shares.

Only private citizens could buy the stock. No one could hold more than \$6,000 worth.

Economic Minister Prof. Ludwig Erhard says this is an attempt to give West Germans "a real share" in the wealth their work produces.

"Cheap election propaganda," retorted the Social Democrats.

Foreign economic experts were inclined to think that at least in part the program is a bid for votes against the Social Democratic campaign promises of building stronger security for the public.

Serious Problem

Security is a serious problem, for most Germans recall that the sudden prosperity after World War I collapsed into inflation which in turn helped bring about Hitler's rise.

But behind any political motivation apparently lies an effort to solve a pressing economic problem; one Professor Erhard frequently mentions.

This is that although business is good, little money is invested in stocks by Germans as a whole. The per capita outlay for stocks here may be the lowest in the western world.

"Many of them are afraid to invest their money," one expert said. "They remember what happened before to the Volkswagen project and others."

He said most German businesses are operating on borrowed capital, and that might spell disaster in a recession.

Another expert said Dr. Adenauer likely will have trouble getting his plan through Parliament before the September elections.

"It's going to be pretty difficult to sell stock in a company when no one is absolutely certain who owns it," this observer commented.

Most of the stock formerly was owned by Robert Ley's Nazi Labor Front. Professor Erhard now acts as trustee.